



**U.S. Department of Justice**

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**For Immediate Release:**

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**EVENT: Sentencing**

**Defendant: Deborah J. Lazenby**

**BANKER INVOLVED IN SBA LOAN FRAUD SENTENCED**

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United States Attorney Stephen J. Murphy today announced the sentencing of a former banker involved in the fraudulent acquisition of SBA-guaranteed loans.

Murphy was joined in the announcement by Desmond Scanlon, Special Agent in Charge, United States Secret Service, Detroit Division.

Deborah J. Lazenby, 49, of Canton, Michigan, was sentenced today by United States District Judge Denise Page Hood to 24 months' imprisonment, five years supervised release, and \$3,930,889 restitution.

Lazenby had previously pleaded guilty to charges of conspiracy and misapplication of bank funds. Lazenby was an assistant vice president of Huntington National Bank and managed Huntington's Oakman Boulevard (Dearborn) branch until she was fired in November 2005. The charges against Lazenby arose from her role in assisting borrowers in fraudulently obtaining SBA-guaranteed loans issued by Business Loan Express and Community South

Bank. Working with a loan broker, Lazenby supplied bank letters falsely verifying accounts and account balances of loan applicants. Lazenby also assisted the loan broker in "flipping" properties such as gas stations and oil changes. Lazenby allowed the loan broker to use unpaid-for Huntington National Bank official checks to purchase properties which were then quickly resold at an inflated price to persons purchasing the property with fraudulently obtained SBA-guaranteed loans originated by Business Loan Express and Community South Bank. The official checks would be "paid" for only after the property had been resold at the inflated price. In her plea, Lazenby specifically admitted that on June 21, 2005, she gave the loan broker four unfunded Huntington checks totaling more than \$2.8 million. The loan broker used the checks to conduct a "flip" of three oil change properties.

United States Attorney Stephen J. Murphy said, "A bank officer occupies a high position of trust, and the violation of that trust by issuing false bank letters, producing bogus bank checks, and defrauding the SBA merits the type of significant prison sentence the court handed down today."

The SBA loan fraud investigation, which continues, is being conducted by special agents of the U.S. Small Business Administration-Office of Inspector General and the United States Secret Service. Stephen T. Robinson is the Assistant United States Attorney assigned to the investigation.